

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
LEGISLATIVE COMMITTEE**

**MINUTES  
MEETING OF JUNE 10, 2004**

At 5:15 p.m. Chairman Lee Panza called the meeting to order in the Fourth Floor Dining Room at the San Mateo Transit District Office.

Members Attending: Chairman Lee Panza, Vice-Chair Sue Lempert, Deborah Gordon, and Deborah Wilder.

Staff/ Guests Attending: Richard Napier (C/CAG Executive Director), Brian Moura (City of San Carlos).

**1. Public comment on items not on the agenda.**

None

**2. Minutes of the Meeting of May 13, 2004.**

*Motion: To approve the minutes of May 13, 2004. Lempert/Wilder, unanimous.*

**3. Update from C/CAG's Lobbyist in Sacramento (via conference call). Brian Moura (San Carlos) also participated in the conference call.**

- A number of legislators feel that this budget process is an opportunity to do some long-term reforms of how local governments and the State are financed. Therefore they are reluctant to accept the Governor's proposal for local government revenue protection.
- The League has rejected outright what is being put forth by the Legislature for very limited local government resource protection.
- The Governor is holding firm on the deal that he negotiated with local governments.
- The League is prepared to move forward with its Initiative on the ballot, if the Legislature does not adopt the Governor's package.
- There is a proposal to increase the Vehicle License Fee to generate more revenue.
- The expectation is that the "Big 5" will work out the final deal.
- It appears that the Governor has not been involving the Republican leadership in the various "deals" that he has been working on.
- The language for the budget deal worked out by the Governor (to be submitted by Ross Johnson) has not yet been released.
- It is likely that there will be two proposals put forth to the Legislature. The Steinberg proposal that only provides very limited protections for local government revenues, and the Ross Johnson proposal that is the Governor's deal with the LOCAL Coalition.

- It is very unlikely that they will meet the deadline of June 15<sup>th</sup>. However there will be a big push to try to make the June 30<sup>th</sup> end of the fiscal year deadline.
- It is very important that C/CAG and all local governments keep the pressure on the Legislature to pass the Governor's proposed budget. Letters and phone calls to individual legislators and especially to the members of the Conference Committee, is the most effective way to get the message across.
- The Democratic Leadership and the Bay Area Delegation has been very public about their opposition to giving the broad protections to local government that is being proposed by the Governor.
- The latest mantra being exposed by the Democratic Legislators is that a "fair and just budget" is more important than a budget passed "on time."
- Lots of interest groups are holding demonstrations and other visible forms of protest to try to influence the Legislature to restore some of the proposed cuts. Local Governments must also be visible in order to ensure that their issues are also addressed in the budget.
- It may be useful for some of the C/CAG Members to go to Sacramento some time during the last week of June, and visit with legislators to make the case for local government revenue protection.
- AB 1546 – The bill was finally scheduled for another hearing before the Senate Revenue and Tax Committee. Rich Napier and Wes Lujan spent a day visiting the members of the Committee and were able to line up three votes. Four are needed for passage. The remaining Democrat, Debra Bowen, would not commit. Two Republicans were also lobbied in the hope that one would be willing to give a courtesy vote. The day of the hearing, Chairman Cedillo decided to hold the bill over to a future date because Senator Bowen was ill and still had some questions on the bill. There may be a concern that without an approved budget, any of the fee bills could appear to be increasing taxes and therefore should be held off. Staff is looking into an amendment to support hydrogen fuel vehicles and infrastructure. Governor is encouraging support for this type of program. Having an element of it included in AB 1546 may draw some Republican support. Senator Bowen's staff person has indicated that the C/CAG amendments recently introduced made this bill better than the other fee bills, however the Senator is still concerned about the cumulative impact of all of the fee bills should more than one pass. Senator Simitian has mentioned that a possible resolution would be to put a contingency in the bill that if multiple fee bills are approved, the local Board of Supervisors must decide on only one for implementation. It was noted that the press has had mixed views on the viability of fuel cell technology and that a C/CAG endorsement of this technology might not appear prudent. It was suggested that C/CAG staff talk with the Environmental Protection Agency to get the true story as to the likelihood of this technology becoming a viable transportation alternative.
- ACA 10 – Assemblyman Harmon still does not have sufficient votes to move this bill. C/CAG has already demonstrated that it has gone to the limit in its support for this bill, and the Assemblyman is aware of it. It appears that time is running out on this bill. Consideration should be given to meeting with a League representative to get them more actively behind this bill.

- SB 744 – It appears that this bill is dead. The Senator does not have the votes to pass it, so he has pulled the bill.
- AB 2107 – This bill will close a tax loophole that allows individuals that purchase certain luxury vehicles to avoid sales tax. It appears that this item may get tied to the adoption of the budget package. Right now it is stuck on the Assembly Floor and requires a two-thirds vote to pass. The Republicans are not ready to move on it.
- SB 1089 – This bill will be considered next week.
- SB 1815 – We will research this bill further after the Legislative Committee develops a position on the bill. So far there is no support or opposition filed on this bill.
- There is a new Director of HCD, Lucy Dunn, Republican from Orange County. She is very pro housing element reform and inclusionary zoning.

**4. Consideration of a position on AB 2107.**

*Motion to recommend that C/CAG take a “support” position on AB 2107.  
Lempert/Gordon, unanimous.*

**5. Consideration of a position on SB 1089.**

*Motion to recommend that C/CAG take a “support” position on SB 1089.  
Lempert/Panza, unanimous.*

**6. Consideration of a position on SB 1815.**

Members expressed concern over the resources that are being expended by the State to enact legislation that is aimed at addressing a problem that has been created by one jurisdiction failing to provide good service to its public. This fact should be included in C/CAG’s letter of opposition on this bill.

*Motion to recommend that C/CAG take an “oppose” position on AB 2107.  
Lempert/Wilder, unanimous.*

**7. Establish date and time for next meeting (July 8, 2004).**

The next meeting was set for July 8, 2004 at 5:00 p.m. at the Fourth Floor Dining Room at the San Mateo County Transit District Office. There will be no C/CAG meeting that day.

**8. Adjournment.**

The meeting was adjourned at 6:15 p.m.